

Stimulus Waste? The \$3.4 Million Turtle Crossing

Before Approving a Second Stimulus Plan, Some Say Spend the First \$787 Billion Properly

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As the <u>Obama administration</u> tests the waters for a second massive <u>government stimulus</u>, critics are questioning the effectiveness of the first <u>\$787 billion program</u>, which they say is moving at a turtle's pace and includes some absurd and wasteful pork projects.

The president's economic advisors said that the administration did not anticipate the severity of <u>the recession</u> and that it might now be necessary for the government to pump more money into the economy to prevent further job losses.

But critics say that the \$787 billion stimulus isn't being spent fast enough and some of the projects approved are frivolous and do nothing to stimulate the economy. Before we dig the country further into debt, they argue, we should wait and see how the first stimulus plan works.

"I don't think we need to have another stimulus bill. I think we need to change this one so that we spend the money right now," said Sen. Tom Coburn, R-Okla., who has been critical of the plan.

Then there are the questionable projects.

For instance, the Florida Department of Transportation wants to spend \$3.4 million in stimulus money for a turtle tunnel. That's right, \$3.4 million to help turtles cross under a highway. Each year, 1,035 turtles are killed on a half-mile stretch of highway north of Tallahassee, according to The Lake Jackson Ecopassage Alliance, a group advocating for the tunnel. They are hoping to use the stimulus dough to save the turtles.

Across the country in Montana, a border crossing that averages fewer than two passenger cars a day and two to three trucks a month is slated to get \$15 million in stimulus funds for upgrades.

One Utah sheriff's office wants to spend \$25,000 in stimulus money for a new Harley-Davidson motorcycle.

To keep track of all the spending, the government has created a Web site. But nothing in life is free.

The independent General Services Administration quietly put out a release Wednesday night saying the <u>site</u> would be redesigned -- for \$9.5 million and, perhaps, as much as \$18 million in the next five years.

Most of the projects paid for by the stimulus will also get signs announcing: "Project Funded by the American Recovery and Reinvestment Act." Those signs do not come cheap, of course. Small signs can start at \$400 in Michigan all the way up to more than \$8,000 for a large highway sign in New York.

"We need to be spending money now on things that have true value," Coburn said.

His dream spending list would include money for highways, roads and bridges, dam-repairs and a larger new

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homeowner tax credit. Coburn also suggested spending \$100 billion to restock the military with supplies. That, he said, would immediately get idled factory lines running again.

"Those are jobs that would click in within 30 days," he said.

The other week Coburn released "100 Stimulus Projects: A Second Opinion," a report examining projects Coburn claimed to be wasteful and paid for by stimulus money.

Ed DeSeve, senior advisor to the president for Recovery Act implementation, called the report "filled with inaccuracies" and included "projects that have already been stopped, projects that never were approved, and some projects that are working quite well."

Of the \$787 billion approved by Congress, only \$174.9 billion has been allocated for projects so far, with just \$60.4 billion of that actually paid out, according to Recovery.gov.

About two-thirds of the total stimulus money so far has been used for short-term projects rather than long-term job creation, according to a new report by the Government Accountability Office.

However, Obama administration officials report that the rate of stimulus spending will increase substantially in the months to come.

"It is clear from the data that there needs to be more fiscal stimulus in the second half of the year than there was in the first half of the year," White House economic adviser Lawrence H. Summers said this week. "Fortunately, the stimulus program designed by the president and passed by Congress provides exactly that."

"We said all along & we weren't putting an emphasis on helping small businesses create jobs and being able to weather the current economy," said Kurt Bardella, spokesman for House Oversight and Government Reform Committee ranking member Darrell Issa, R-Calif. "Unfortunately there were not enough mechanisms to ensure that the money goes to where it was promised and there's nothing to safeguard against how stimulus funding is used once it's disseminated in localities."

States, school districts and housing authorities were supposed to submit reports by July 10 on their use of stimulus funds and the number of jobs created, but the White House Office of Management and Budget pushed the deadline back three months. Tracking funds, even through Recovery.gov, is not an easy process.

"There really isn't a good way to know, despite what administration or critics say," said Tom Schatz, president of Citizens Against Government Waste. "It's not all that clear because they haven't tracked it effectively."

Schatz predicted that not enough information will have been compiled on the federal Web site until the fall.

He also questions how many jobs are actually being created. The nation's unemployment rate last month rose to 9.5 percent, with 6.5 million losing their jobs since the recession began, and isn't showing signs of easing.

"States are going to have to determine how the money can create or not create jobs," Schatz said. "The government likes to talk about creating jobs -- they think it's their job to create jobs. If the money isn't going to the states that have the highest level of unemployment, it's not going to create enough jobs to really help."

States are instructed to implement stimulus funds quickly, but -- according to the GAO -- as a result, often do not have the time or infrastructure to realize the projects needed in economically distressed areas.

"State bureaucracies are used to spending considerably less money, in some cases they have 10 to 20 times more than what they're used to spending," said Tad DeHaven, budget analyst with the Cato Institute. "They're told to go out and spend it as quickly as possible. At the same time, states have also been waiting for more

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direction from the federal government on reporting requirements, accounting jobs & there's a lag."

States are also struggling with how to fit stimulus money into their budgets, knowing that the funding won't be there in future years. Just about every state in the nation faced massive budget deficits this year thanks to declining income and sales taxes. The stimulus money helped plug some of those holes, but if revenues don't increase next year, states will face a structural deficit.

"The big concern in the states is this is supposed to be temporary money," DeHaven said. "A lot of the big fights have been over how we write our budgets so as to recognize that this is money that's not going to be here two years from now."

"You spend a lot when the economy's decent but you don't plan for the inevitable downturn," he added. "The government bailing them out that just basically rewards an alcoholic by giving them a drink."

And with talks of a second stimulus, some lawmakers are skeptical.

"The idea of a second stimulus is a clear admission that first stimulus isn't working," Bardella said. "It is nothing but a false hope."

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